

Endowment Fund Investment Bd
Endowment Investments

	<u>FTP</u>	<u>Personnel Costs</u>	<u>Operating Expenditures</u>	<u>Capital Outlay</u>	<u>Trustee/ Ben Payments</u>	<u>Lump Sum</u>	<u>Total Gov Rec</u>
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Description: The basic goals of the Endowment Fund Investment Board are to provide safety of investments, increased income to the fund beneficiaries, growth of the principal through realized gains, and investment management to the State Insurance Fund.

FY 2003 Original Appropriation

3.00 FY 2003 Original Appropriation: HB 692

Dedicated	3.00	290,600	152,200	3,400	0	0	446,200
Other	2.00	99,400	40,900	1,100	0	0	141,400
Total	5.00	390,000	193,100	4,500	0	0	587,600

FY 2003 Total Appropriation

Dedicated	3.00	290,600	152,200	3,400	0	0	446,200
Other	2.00	99,400	40,900	1,100	0	0	141,400
Total	5.00	390,000	193,100	4,500	0	0	587,600

FY 2003 Estimated Expenditures

Dedicated	3.00	290,600	152,200	3,400	0	0	446,200
Other	2.00	99,400	40,900	1,100	0	0	141,400
Total	5.00	390,000	193,100	4,500	0	0	587,600

Base Adjustments

8.41 Removal of One-Time Expenditures

Dedicated	0.00	0	0	(3,400)	0	0	(3,400)
Other	0.00	0	0	(1,100)	0	0	(1,100)
Total	0.00	0	0	(4,500)	0	0	(4,500)

FY 2004 Base

Dedicated	3.00	290,600	152,200	0	0	0	442,800
Other	2.00	99,400	40,900	0	0	0	140,300
Total	5.00	390,000	193,100	0	0	0	583,100

Program Maintenance

10.11 Change in Benefit Costs: Changes in benefit costs reflect the increased cost of health insurance and reduced costs of unemployment insurance and Division of Human Resources fees.

Dedicated	0.00	3,000	0	0	0	0	3,000
Other	0.00	1,100	0	0	0	0	1,100
Total	0.00	4,100	0	0	0	0	4,100

10.13 Employee Benefit Costs: The Governor recommends funding to be applied to the employee portion of health and dental insurance cost increases. The employer share of the increase is addressed in decision unit 10.11.

Dedicated	0.00	400	0	0	0	0	400
Other	0.00	300	0	0	0	0	300
Total	0.00	700	0	0	0	0	700

10.21 General Inflation: The Governor recommends no increase for inflation.

Dedicated	0.00	0	0	0	0	0	0
Other	0.00	0	0	0	0	0	0
Total	0.00	0	0	0	0	0	0

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10.31 Replacement Items: Replace two computers and four monitors.							
Dedicated	0.00	0	0	4,300	0	0	4,300
Other	0.00	0	0	1,500	0	0	1,500
Total	0.00	0	0	5,800	0	0	5,800
10.41 Attorney General Fees: Adjustments to costs of legal services provided by the Office of the Attorney General are reflected here. Going from \$2,900 to \$8,500.							
Dedicated	0.00	0	4,100	0	0	0	4,100
Other	0.00	0	1,500	0	0	0	1,500
Total	0.00	0	5,600	0	0	0	5,600
10.45 Risk Management Cost Increase: The Office of Insurance Management reports adjustments to various cost categories based on agency claims patterns. Going from \$600 to \$700.							
Dedicated	0.00	0	100	0	0	0	100
Total	0.00	0	100	0	0	0	100
10.46 Controller's Fee Increases: Adjustments to the costs of statewide accounting and statewide payroll processing provided by the Office of the State Controller are reflected here. Going from \$4,100 to \$4,200.							
Dedicated	0.00	0	100	0	0	0	100
Total	0.00	0	100	0	0	0	100
10.47 Treasurer Fee Adjustments: Adjustments to the costs of cash management and warrant processing by the Office of the State Treasurer are reflected here. Going from a negative \$100 to a positive \$200.							
Dedicated	0.00	0	200	0	0	0	200
Other	0.00	0	100	0	0	0	100
Total	0.00	0	300	0	0	0	300
10.61 Change In Employee Compensation: The Governor recommends compensation increases be funded with agency salary savings wherever possible.							
Dedicated	0.00	0	0	0	0	0	0
Other	0.00	0	0	0	0	0	0
Total	0.00	0	0	0	0	0	0
10.71 External Nonstandard Adjustment: Increase audit costs due to federal regulations that are requiring accounting firms to add new procedures to their audits. Also increase insurance and possible litigation costs.							
Dedicated	0.00	0	11,500	0	0	0	11,500
Total	0.00	0	11,500	0	0	0	11,500
10.91 Fund Shifts: Reallocate \$4,600 from the endowment reserve fund to the state insurance fund due to the change in the percentage of assets held. In FY 2003 the state insurance fund share is 25.52% of total assets, while in FY 2004 it is expected to be 26.61%.							
Dedicated	0.00	(4,300)	(300)	0	0	0	(4,600)
Other	0.00	4,300	300	0	0	0	4,600
Total	0.00	0	0	0	0	0	0
FY 2004 Total Maintenance							
Dedicated	3.00	289,700	167,900	4,300	0	0	461,900
Other	2.00	105,100	42,800	1,500	0	0	149,400
Total	5.00	394,800	210,700	5,800	0	0	611,300

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Program Enhancements							
12.01 Continuous Appropriation: The Endowment Fund Investment Board is requesting and the Governor supports a continuous appropriation for consulting services, outside manager fees, bank custodian fees, and other portfolio related costs.							
Dedicated	0.00	0	0	0	0	0	0
Other	0.00	0	0	0	0	0	0
Total	0.00	0	0	0	0	0	0
12.02 Upgrade Manager Position: Bring the amount budgeted for the investment manager position's salary to a point where it would be 10% above the minimum salary for the highest pay grade in the state's compensation schedule. The Division of Human Resources has point factored the position to this pay grade. The budgeted salary would go from \$92,700 to \$104,100. With benefits the total increase is \$14,000.							
Dedicated	0.00	10,300	0	0	0	0	10,300
Other	0.00	3,700	0	0	0	0	3,700
Total	0.00	14,000	0	0	0	0	14,000
12.03 Increased Travel Costs: The Board hired a new investment manager half-way through FY 2003. Additional travel will be necessary in order for this person to meet with the outside equity managers on a regular basis.							
Dedicated	0.00	0	3,700	0	0	0	3,700
Other	0.00	0	1,300	0	0	0	1,300
Total	0.00	0	5,000	0	0	0	5,000
FY 2004 Gov's Recommendation							
Dedicated	3.00	300,000	171,600	4,300	0	0	475,900
Other	2.00	108,800	44,100	1,500	0	0	154,400
Total	5.00	408,800	215,700	5,800	0	0	630,300